

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 670

Department of Health &
Human Services

Centers for Medicare &
Medicaid Services

Date: SEPTEMBER 2,
2005

Change Request 4002

SUBJECT: Realignment of States and Medicare Claims Processing Workload from DMERC Regions A, B, C and D to the DME MAC Jurisdictions A, B, C, and D

I. SUMMARY OF CHANGES: The alignment of Durable Medical Equipment Medicare Administrative Contractor (DME MAC) jurisdictions with the 15 primary A/B MAC jurisdictions requires movement of States from the current DMERC regions. The VMS and CWF standard system changes are necessary to: Facilitate the movement of claims data (online claims and claims in history) and Certificates of Medical Necessity (CMN) from the DMERC regions to the DME MAC jurisdictions; Change current DMERC region and contractor numbers to new DME MAC numbers; and Facilitate the redirection of misrouted claims to the DME MAC jurisdiction including the State in which the beneficiary resides. This Change Request (CR) will be implemented across three releases beginning with the January 2006 release, continuing through April 2006, and with completion in July 2006. The January 2006 release will be for analysis only by the VMS and CWF maintainers. Fiscal intermediaries, carriers, RHHIs, and DMERCs are not required to implement this CR until further notice.

NEW/REVISED MATERIAL

EFFECTIVE DATE: July 01, 2006

IMPLEMENTATION DATE: July 03, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – Only One Per Row.

R/N/D	Chapter / Section / SubSection / Title
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III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 670	Date: September 2, 2005	Change Request 4002
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SUBJECT: Realignment of States and Medicare Claims Processing Workload from the Current DMERC Regions A, B, C, and D to the DME MAC Jurisdictions A, B, C, and D

This Change Request will be implemented across three releases beginning with the January 2006 release, continuing through April 2006, and with completion in July 2006. The January 2006 release will be for analysis only by the VMS and CWF maintainers.

I. GENERAL INFORMATION

A. Background: Under Section 911 of the Medicare Prescription Drug, Improvement and Modernization Act (MMA), Congress mandated that the Secretary of Health and Human Services replace the current contracting authority under Title XVIII of the Social Security Act with the new Medicare Administrative Contractor (MAC) authority. Contracting reform requires that CMS use competitive procedures to replace its current fiscal intermediaries (FIs) and carriers with a uniform type of administrative entity, referred to as Medicare Administrative Contractors (MACs). The FIs handle claims processing and benefit payment functions for institutional providers under Part A and Part B of the Medicare program; while carriers perform the same functions for professional providers under Part B of the program.

The competition of the current DMERC workloads initiates the first phase of the MAC acquisition and transition schedule. The movement of States outside of the existing DMERC regions realigns the DME MAC jurisdictions with the 15 primary A/B MAC jurisdictions.

B. Policy: Effective with future awards of the DME MACs, the geographical boundaries of the DMERC service regions will be reconfigured as follows:

Jurisdiction A:	Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont
Jurisdiction B:	Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin, Kentucky
Jurisdiction C:	Alabama, Arkansas, Colorado, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virgin Islands, Virginia, West Virginia
Jurisdiction D:	Alaska, Arizona, California, Guam, Hawaii, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, Mariana Islands, American Samoa

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4002.1	DME MACs shall process claims based on a Medicare beneficiary’s principal residence by State.									DME MAC
4002.2	DME MACs shall maintain a Medicare claims processing front end system which detects misrouted claims for beneficiaries who do not reside within the jurisdiction serviced by the DME MAC and directs the claim to the correct DME MAC for processing.									DME MAC
4002.3	VMS shall make required system changes to facilitate the redirection of misrouted claims to the DME MAC jurisdiction which includes the State in which the beneficiary resides.							X		
4002.4	VMS shall make the necessary system changes to facilitate the movement of claims data (online claims and claims in history) and Certificates of Medical Necessity (CMN) for the State of Maryland and the District of Columbia from the current DMERC Region B, to the DME MAC jurisdiction A.							X		DME MAC
4002.5	VMS shall make the necessary system changes to facilitate the movement of claims data (online claims and claims in history) and Certificates of Medical Necessity (CMN) for the State of Kentucky from DMERC Region C to the DME MAC jurisdiction B.							X		DME MAC
4002.6	VMS shall make the necessary system changes to facilitate the movement of claims data (online claims and claims in history) and Certificates of Medical Necessity (CMN) for the States of West Virginia and Virginia from the current DMERC Region B to DME MAC							X		DME MAC

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	jurisdiction C.									
4002.7	VMS shall make the necessary system changes to facilitate the communication of claims data between the data centers supporting the existing DMERCs regions and the data center(s) supporting the DME MAC jurisdictions.							X		DME MAC
4002.8	VMS and CWF shall be modified to reflect a new contractor number for the DME MAC jurisdiction replacing existing DMERC Region A contractor #00811.							X	X	DME MAC
4002.9	VMS and CWF shall be modified to reflect a new contractor number for the DME MAC jurisdiction replacing existing DMERC Region B contractor #00635.							X	X	DME MAC
4002.10	VMS and CWF shall be modified to reflect a new contractor number for the DME MAC jurisdiction replacing existing DMERC Region C contractor #00885.							X	X	DME MAC
4002.11	VMS and CWF shall be modified to reflect a new contractor number for the DME MAC jurisdiction replacing existing DMERC Region D contractor #05655.							X	X	DME MAC
4002.12	CWF shall make required changes to the Contractor Table for DMERCs to realign the State Codes associated with the current specific DMERC regions so that the State Codes align with the new DME MAC jurisdictions.								X	
4002.13	VMS and CWF shall make required system changes to facilitate four (4) cutovers from the 4 DMERC Regions to the 4 new DME MAC jurisdictions on July 1, 2006.							X	X	DME MAC
4002.14	Workload transitions from the DMERCs to the DME MACs will begin with contract award in December 2005. The DME MACs shall begin to process all claims for the new DME MAC jurisdictions at the cutover date between the DMERC and the DME MAC.							X	X	DME MAC

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	None.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: July 1, 2006 January 3, 2006 for the analysis only by the VMS and CWF maintainers.</p> <p>Implementation Date: July 3, 2006 for full implementation.</p> <p>Pre-Implementation Contact(s): Marybeth Jason Marybeth.jason@cms.hhs.gov, or 410-786-8373</p> <p>Post-Implementation Contact(s): Marybeth Jason</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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